



**GREEN
CLIMATE
FUND**

Meeting of the Board
2–5 November 2015
Livingstone, Republic of Zambia
Provisional agenda item 24*

GCF/B.11/11

10 October 2015

Annual update of structure and staffing of the Secretariat

Summary

To carry its mandate and serve the Green Climate Fund (GCF) more effectively, the Secretariat needs to be strengthened through acquiring new expertise by establishing additional positions. Its current structure also needs to be better aligned so as to enhance its efficiency and maximize the use of its resources.

This document reports on the current staffing status and proposes how the Secretariat should be strengthened and organized to optimize its performance in all areas of its activities as mandated by the Board.

* The agenda item number will be determined when the final sequence of items in the provisional agenda is confirmed by the Co-Chairs.

I. Introduction

1. The initial structure and staffing of the Secretariat was approved by the Board of the GCF at its fifth meeting in 2013, and then it was updated in 2014 as reported to the Board at its eighth meeting. In the meantime, due to the demands placed upon the Secretariat, its tasks have increased, in terms of number and complexity. Its responsibilities have expanded in a phased manner, from providing support to the Board on conceptual design of the GCF to becoming a structure in charge of supporting the day-to-day operations of a major fund.
2. Such expansion requires not only additional staff and expertise, but also a carefully designed organization, review of workflows and delineation of responsibilities among the divisions of the Secretariat.
3. This report is prepared to provide the Board with the following:
 - (a) Information on the status of recruitment on the approved positions;
 - (b) A proposal for additional staffing needs for 2016–2018; and
 - (c) An update on the revised structure of the Secretariat.

II. Linkage with other documents

4. This document should be read in conjunction with document GCF/B.11/12 titled “Administrative budget for 2016–2018”, which provides detailed information on resource requirements for the next three years.

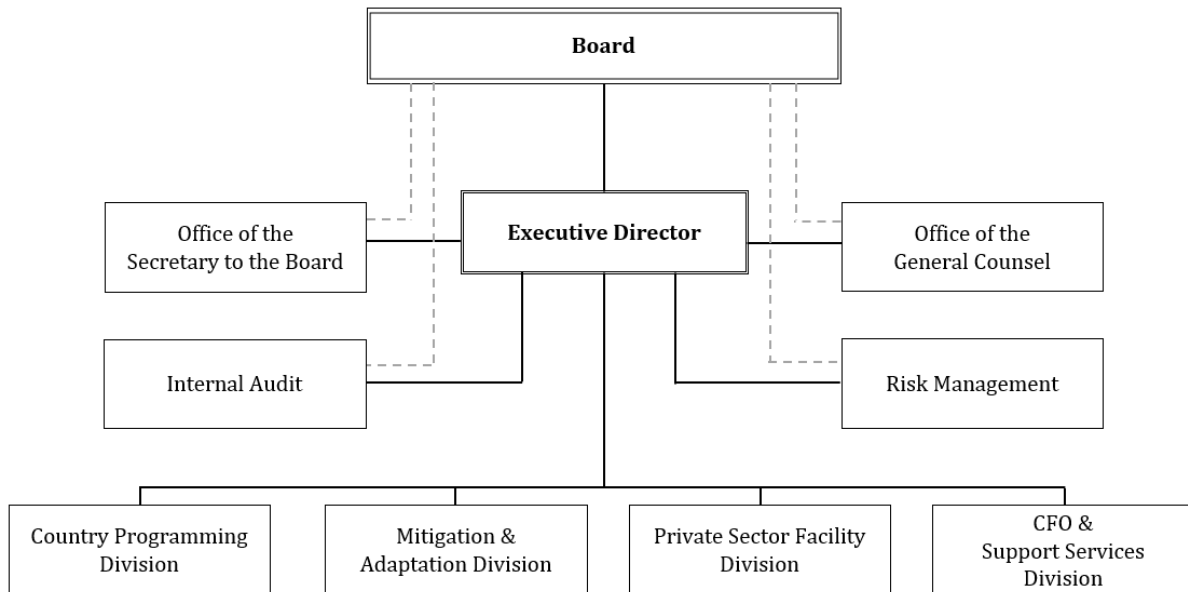
III. Possible action by the Board

5. It is recommended that the Board considers the report and approves the draft decision attached as the annex to this document.

IV. Current structure and staffing

6. The current structure of the Secretariat consists of four divisions each of which is headed by a director; two offices, headed by the General Counsel and by the Secretary to the Board, respectively; a Risk Manager; and an Internal Auditor, all of whom report directly to the Executive Director.
7. At its eighth meeting, the Board approved the administrative budget for 2015, which included 45 international (IS) level and 10 administrative (AS) or general service category positions.

Table 1. Current structure of the GCF



Abbreviation: CFO = Chief Financial Officer.

V. Recruitment and staffing status

8. By the end of September 2015, 33 out of the 46¹ IS positions were filled, ensuring that divisions and offices of the Secretariat are staffed by permanent core teams. In addition, 10 AS positions have been filled, and these staff are assigned to each division and office to provide research, administrative and logistical support.

9. The delay in filling the IS positions, some of which have been open for two years, has been due to the difficulty in finding competent candidates of appropriate calibre to move to Songdo, Republic of Korea, for the compensation package the GCF is prepared to offer. Many potential candidates have been candid that the current headquarters location is difficult in terms of possible spouse employment, and the GCF current compensation package is not attractive enough in comparison to their current employers to warrant a move. Despite these challenges, significant efforts are being made to fill the positions.

10. In the meantime, the challenges of additional workload and shortage of staff are being tackled by hiring consultants. Currently, the Secretariat is benefiting from the services of 30 consultants based in Songdo, 32 part-time consultants working remotely, and one secondee from Incheon Metropolitan City, Republic of Korea, in addition to 11 interns who receive training but have also become an effective source of assistance to the core staff.

11. Table 2 summarizes the comparison between the established positions and filled positions by office or division. Efforts are being made to hire more staff to fill all the remaining posts.

¹ Including one position of a 'Know-Your-Customer' (KYC) Compliance Specialist, established at the tenth meeting of the Board.

Table 2. Comparison of approved and filled positions as at September 2015

Division/office	Established posts	Filled posts	Vacant posts
Executive Director's Office	1 – Special Assistant/Adviser 2 – Communications and Media Specialists	1 – Communications Outreach Senior Specialist	1 – Special Assistant/Adviser 1 – Communications Specialist
Subtotal	3	1	2
Country Programming	1 – Director 3 – Accreditation, Environmental and Social Safeguards, etc. 3 – Country Operational Dialogue 1 – Monitoring and Evaluation 1 – Social and Gender 1 – Climate Economist 1 – Associate Professional 2 – Fiduciary (Procurement, Financial Management)*	1 – Director 2 – Accredited Entities Specialists 3 – Country Operational Dialogue 1 – Monitoring and Evaluation 1 – Social and Gender 1 – Climate Economist 1 – Associate Professional 1 – Fiduciary (Financial Management)*	1 – Environmental Specialist 1 – Fiduciary (Procurement Specialist)*
Subtotal	13	11	2
Mitigation and Adaptation	1 – Director 4 – Specialists 1 – Associate Professional	1 – Director 2 – Mitigation Coordinator, Forest and Land Use Officer 1 – Associate Professional	2 – Adaptation Coordinator, Urban Transportation and DRR Officer
Sub-total	6	4	2
Private Sector Facility	1 – Director 4 – Specialists 1 – Associate Professional	1 – Director 4 – Project Finance (1) Structured Finance (2) Financial Institutions (1) 1 – Associate Professional	
Sub-total	6	6	0
Support Services	1 – Director 2 – Resource Mobilization 1 – Finance 2 – Human Resources 2 – Information and communications technology (ICT) 1 – Risk Manager** 1 – Internal Auditor**	1 – Chief Financial Officer and Director 1 – Resource Mobilization Specialist 1 – Head of Administrative Operations 1 – Compensation and Benefits Specialist 2 – Head of ICT (1) ICT Specialist (1)	1 – Resource Mobilization Specialist 1 – Human Resources Specialist 1 – Risk Manager** 1 – Internal Auditor**
Subtotal	10	6	4
General Counsel	1 – General Counsel 1 – Legal Counsel 1 – KYC Compliance Specialist*** 1 – Associate Professional	1 – General Counsel 1 – Associate Professional	1 – Legal Counsel 1 – 'Know-Your-Customer' Compliance Specialist***
Subtotal	4	2	2

Secretary to the Board	1 – Secretary to the Board 2 – Specialists (Editor and Liaison/Logistics) 1 – Associate Professional	1 – Secretary to the Board 1 – Document Control Specialist 1 – Associate Professional	1 – International Climate Policy Specialist
Subtotal	4	3	1
Total	46	33	13

* Report to the Chief Financial Officer and Director of Support Services.

** Report to the Executive Director.

*** Temporarily under the Office of the General Counsel; position approved at the tenth meeting of the Board.

12. The geographical and gender balance with regard to both international and local staff is shown in table 3. Efforts made to achieve better geographical and gender balance have resulted in progress on this front, with 63 per cent from developing countries and 44 per cent females among the appointed staff.

Table 3. Geographical and gender distribution among appointed staff

Filled positions		Geographical distribution		Gender balance	
Level	Total	Developed	Developing	Male	Female
IS-level	33	16	17	22	11
AS-level	10	0	10	2	8
Percentage (%)	100	37	63	56	44

VI. New positions for 2016–2018

6.1 Rationale for additional resources

13. As indicated above, the Secretariat is severely understaffed. Given the nature and magnitude of work, GCF directors estimate that it would require at least 120 to 150 full-time staff with various skills to build up the minimum expertise and human resources needed to support the GCF at its operational phase.

14. Since the establishment of the permanent Secretariat, the focus has been on completing internal design work; creating a strong partnership with national designated authorities (NDAs) and accredited entities (AEs), including delivery of readiness support; mobilizing financial contributions to the GCF; and working with AEs on the development of the initial project and programme funding proposals. Sufficient progress has been made on all these fronts to allow the Board to consider the first set of funding proposals at this meeting.

15. Assessment of staff requirements are made based on the need for efficient development and management of projects/programmes, effective country dialogue and meaningful support to NDAs and AEs. Other areas of the Secretariat should also be strengthened in order to enhance support to the Board in analysing and developing policies and to service the GCF effectively on risk management, legal and compliance, fiduciary standards, efficient human resources, ICT and logistical support.

16. Most recently, both teams in Private Sector Facility (PSF) and the Mitigation and Adaptation (M&A) divisions have been mainly engaged in supporting the development of these funding proposals. However, it will be as important to ensure that as proposals are approved, portfolio performance is adequately monitored and reported to the Board to allow possible corrective actions and to ensure that the GCF results management framework accurately measures the overall impact of the GCF. Going forward, the existing expertise and approved positions under both divisions should be consolidated in a pre-approval team, supporting

proposals up to the stage of approval by the Board. There is now the need to establish a team to take responsibility for post-approval portfolio management.

17. Other divisions would also need to be strengthened as each is short of staff and relying on external consultants and interns. For example, currently one person is expected to perform financial control functions for the GCF as an institution and fiduciary oversight of portfolio investments. This overstretches an individual, compromising the intensity of support provided in one area of responsibility.

6.2 Increase by areas of activity

18. In summary, there will be a need for additional staff under all the divisions and offices of the Secretariat. The total number of new positions needed at Secretariat level is 42 in 2016, with a gradual increase by 15 in 2017 and by additional 15 by 2018. These positions represent the minimum requirement to equip the Secretariat with basic expertise and an appropriate level of staffing in the following areas:

- (a) In the area of country dialogue, a number of new positions will be required to ensure that the 135 NDAs and increasing number of AEs are supported effectively. The need for strong support and a closer relationship with these partners cannot be overemphasised. Shortage of staff in this area would mean that the quality and level of support would be compromised;
- (b) The capacity of the Secretariat in portfolio development needs to be strengthened, requiring new positions to build basic expertise, not only in its core function of developing programmes and projects, but also to strengthen its knowledge base on various subject matters;
- (c) Portfolio management will have to be built from scratch. New skills will have to be acquired to build expertise in monitoring and evaluation, taking remedial actions, conducting periodic reviews, triggering the disbursement of funds and closing out;
- (d) Legal support is currently under-resourced. Its team of two lawyers supported by two assistants is expected to handle legal work related to accreditation master agreements (AMAs), contributions agreements, privileges and immunities (P&Is) as well as institutional and administrative contracts. Eventually, it will also have to develop capacity to deal with litigation. It is therefore mandatory that the Office of the General Counsel is staffed adequately;
- (e) Currently, the GCF has only one risk management position, the Chief Risk Officer. More experts in this field will be required to look at underlying risk for each project and programme as well as enterprise risk (market risk, operational risk, portfolio risk);
- (f) The Office of the Secretary of the Board (OSB) relies heavily on the services of external consultants who normally work remotely. For this reason, the OSB benefits more from the consultancy budget rather than regular staff. However, it is crucial that new positions are established in 2016 to handle the work of processing documents and maintaining regular consultation with the Co-Chairs, Board members and various stakeholders to follow up on decisions made and inputs required for meetings of the Board. Apart from Board related activities, the OSB also liaises with the United Nations Framework Convention on Climate Change process and helps to ensure responsiveness to guidance provided by the Conference of the Parties to the United Nations Framework Convention on Climate Change.
- (g) To increase its effectiveness and efficiency in its support to the expanding activities under all divisions, the Division of Support Services (DSS) must increase its capacity

proportionally in human resources, financial management, ICT services, travel and procurement.

19. All things considered, the Secretariat is proposing an increase of 33 IS and nine AS positions, bringing the total of international staff to 79 and administrative staff to 19. Further information and budgetary implications of the requested positions are contained in document GCF/B.11/12 titled “Administrative Budget for 2016-2018”.

VII. Updating the structure of the Secretariat

7.1 Need for an updated structure

20. As indicated above, the focus of the GCF is shifting as it becomes operational. Processing of funding proposals, and management of the portfolio of projects and programmes approved for funding, are also expected to become the main priorities of the GCF, and the structure of the Secretariat will need to be adjusted accordingly.

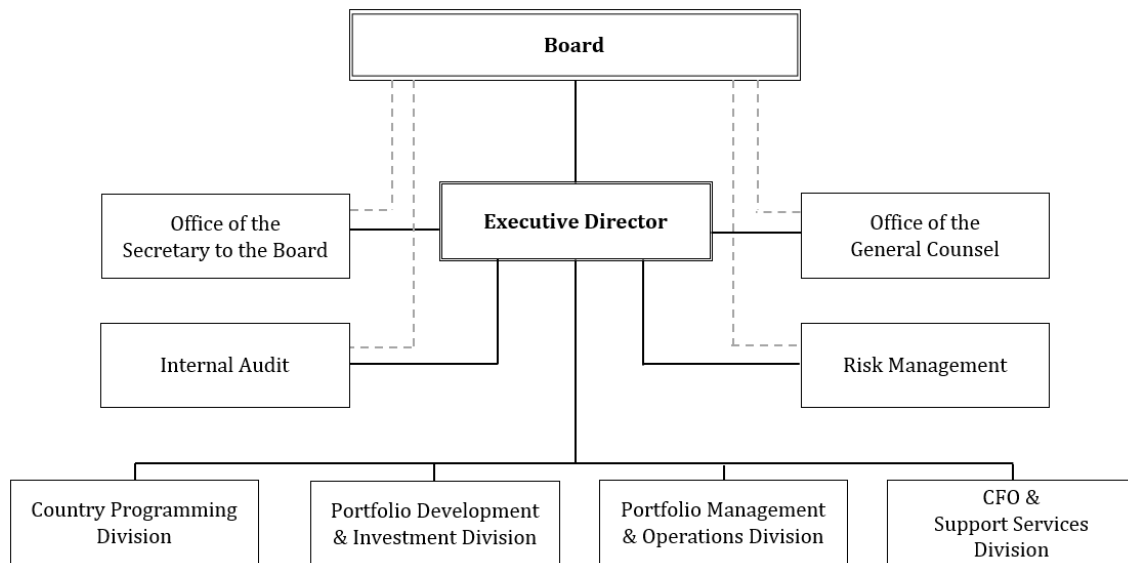
21. The currently available expertise of M&A and PSF is fully engaged in processing funding proposals and preparing for consideration of such proposals by the Board. Once this stage is completed, there will be a need for managing portfolios throughout the lifetime of the projects, which will require its own set of skills and a number of new positions.

22. To minimize the challenge of coordination and oversight, the revised structure aims at clustering together, to the extent possible, individual staff members who share complementary subject matter expertise in one division under the mentorship of a more senior staff with leadership and subject matter experience. As a result, they will benefit from optimal peer and supervisory support.

7.2 Building around functional responsibilities

23. The proposed updated structure as shown in Table 4 entails building divisions around common objectives and subject matter expertise. These sets of responsibilities can be broadly divided into two – one team that focuses on the development of projects and a second team taking the responsibility for monitoring their implementation after approval. Such a structure of work would require the current divisions of M&A and PSF to become a Portfolio Development and Investment Division (PDI), headed by a Chief Investment Officer (CIO), and the establishment of a Portfolio Management and Operations Division (PMO), headed by a Chief Operations Officer (COO).

Table 4. Proposed updated structure of the Secretariat effective 1 January 2016



Abbreviation: CFO = Chief Financial Officer.

24. Appropriate expertise on the subject matters will be incorporated in the two new divisions to ensure that the GCF will continue to be guided by the principles of balance between mitigation and adaptation, and engagement with the private sector, both at the development and implementation stages of projects and programmes.

25. Although the Secretariat will require similar thematic and funding expertise, while reviewing proposals and monitoring their implementation, the core skills needed in the two stages are completely different.

7.2.1 Portfolio Development and Investment Division

26. PDI would be responsible for interacting with AEs and NDAs in processing concept notes and full funding proposals until these are approved by the Board and reach effectiveness of the funded activity agreement.

27. PDI subject matter expertise would lie in its being able to process projects and programmes, including through the management of request for proposal (RFP) processes. It will need to develop expertise in GCF key investment framework instruments and how to use these for the most effective investments by the GCF. It will require additional thematic expertise (clean energy, forestry, agriculture and food, water management, waste management, urban transportation, resilience and disaster risk reduction).

28. PDI will also take a central role in resource mobilization through showcasing pipeline and engaging with new and non-traditional contributors.

7.2.2 Portfolio Management and Operations Division

29. The main role of PMO will be to manage projects and programmes when they are approved by the Board and reach effectiveness of the funded activities agreement. The division would be responsible for monitoring the implementation of the approved projects and programmes, the initiation of the disbursement process, monitoring and evaluation in the larger sense of the role, including performance against investment criteria.

30. It would have a greater role, in coordination with the Country Programming Division (CPD), in managing the relationship of the GCF with the AEs within the context of implementing

projects and programmes. The division will liaise closely with the Chief Risk Officer, the General Counsel and other divisions to monitor and manage the GCF portfolio.

31. Its subject matter expertise would lie in portfolio operations management, including project implementation, supervision and disbursement. It would also encase the subject matter expertise (environmental and social safeguards, logic framework, and fiduciary safeguards) to ensure their performance. It would also manage, in coordination with CPD, the related ensuing relationship matters with the AEs, NDAs and stakeholders.

7.2.3 Country Programming Division

32. The two divisions (PDI and PMO) will work closely with the CPD, which lies at the heart of the GCF business model, built on the principle of country ownership. CPD will continue with its current responsibilities of ensuring that: (a) the GCF maintains a constructive working relationship with host country governments, including capacity-building (readiness) and pipeline development; (b) the GCF maintains a constructive working relationship with the AEs; and (c) the GCF and its AEs fully comply with host country strategic vision. The coordination of relationships with host countries and AEs lies with CPD.

33. So far, this division also hosted some of the core portfolio monitoring functions (e.g. environmental, social and gender social safeguards along with monitoring and evaluation) which will be clustered together with other similar functions (e.g. fiduciary standards) under PMO.

7.2.4 Other offices

34. The other offices of the Secretariat will remain the same, but each will be strengthened and seek better alignments to increase efficiency and responsiveness to the new demands of the operational phase. While more details on the need for strengthening the Secretariat's overall resources are provided in the proposed administrative budget for 2016–2018 (GCF/B.11/12), the distribution of positions by division is summarized in table 5.

Table 5. Staffing allocation and key responsibilities in 2016

Functions	Key responsibilities
Office of the Executive Director (5) - Adviser to the Executive Director (ED) - Chief of Staff - Communication and Outreach Specialists	- Assist the ED to perform functions relating to the coordination of the front office; - Assist the ED with necessary follow-up across the Secretariat to ensure timely progress on various initiatives; - Implement a communication strategy; - Realize media engagement opportunities and media monitoring and response; and - Provide communication and media support to core activities of the GCF, including through the website
Office of the Secretary to the Board (5) - Secretary to the Board - Document Control Specialists - International Climate Policy Specialists	- Prepare Board meeting communications on development of agenda, clearance/distribution of documents, and follow up actions on Board decisions; - Ensure Board, committee, panel, group and workshop meeting logistics; - Liaise with meeting hosts/Governments; and - Liaise with UNFCCC secretariat and other thematic bodies.
Country Programming Division (13) - Director - Country operations dialogue - Accredited entities (AEs) - Climate Economist	- Manage relationship with national designated authorities (NDAs) and focal points and their countries, including by providing capacity-building through the readiness support programme;



	<ul style="list-style-type: none"> - Develop direct access by supporting applications from direct access entities and building their capacity after accreditation; - Ensure country ownership and support the development of country programmes; and - Manages the accreditation process
<p>Portfolio Development & Investment Division (18)</p> <ul style="list-style-type: none"> - Director - Experts in thematic result areas of the GCF - Experts in financial products and modalities of the GCF - Experts in request for proposal (RFP) management - Experts in co-financing and mobilization 	<ul style="list-style-type: none"> - Interact with AEs and NDAs in processing concept notes and full funding proposals until they are approved by the Board and reach effectiveness of funded activity agreements; - Manage RFP processes; and - Mobilize resources through pipeline and engaging with new and non-traditional contributors
<p>Portfolio Management and Operations Division (9)</p> <ul style="list-style-type: none"> - Director - Portfolio Operations - Portfolio Quality Assurance - Portfolio Administration and Analytics - Environmental, Social and Gender Safeguards - Monitoring and Evaluation - Fiduciary standards (procurement and financial management) 	<ul style="list-style-type: none"> - Manage projects and programmes when approved by the Board and reach effectiveness of funded activity agreements; - In coordination with the Country Programming Division, manage the relationship of the GCF with the AEs within the context of implementing projects and programmes; - Monitor the implementation of the approved projects, the disbursement process, monitoring and evaluation, including performance against the investment criteria; - Perform portfolio operations management, including project implementation, supervision, and disbursement; - Ensure performance against safeguards and fiduciary policies
<p>Office of the General Counsel (6)</p> <ul style="list-style-type: none"> - General Counsel - Legal Counsels 	<ul style="list-style-type: none"> - Provide a comprehensive range of legal services to the Board and the Secretariat on the interpretation of treaties and legal instruments; - Advice on agreements and cooperative arrangements; - Establish the administrative and operational legal framework; and - Conduct operational legal due diligence
<p>Chief Financial Officer (CFO) and Support Services Division (11)</p> <ul style="list-style-type: none"> - CFO and Director - Resource Mobilization - Administrative Operations - Finance - Human Resources - Information and communications technology (ICT) - Procurement 	<ul style="list-style-type: none"> - Manage the administrative operations, financial unit and the capital structure for the GCF; - Resource Mobilization: organize technical-level dialogue with potential contributors; coordinate technical analyses, documents and presentations, replenishment of the GCF; - Finance/procurement: record and report financial statements; coordinate corporate procurement activities; - Human Resources (HR): Coordinate the recruitment actions; oversee the implementation of HR strategies, policies, procedures and systems; and - ICT: Oversee the performance by service providers to ensure high quality ICT systems in place; implement ERP system, content management system, documents management system, online accreditation system, online results management framework
<p>Risk Management (3)</p> <ul style="list-style-type: none"> - Chief Risk Officer - Risk Specialists 	<ul style="list-style-type: none"> - Coordinate the preparation and implementation of the risk management framework of the GCF

Internal Audit (1)	- Develop internal audit procedures and plans; and - Ensure that internal controls, risk management practices and governance processes are adhered to across the GCF
KYC Compliance (1)	- Provide expertise with regards to anti-corruption and know-your-customer, leverage knowledge of international standards on anti-money laundering and countering terrorist financing
Total number of senior staff and specialists: 72	
Associate Professionals (7)	- Support the divisions and offices with a range of operational and analytical tasks
Total number of associate professionals: 7	
Administrative/Team Assistants (19)	- Assist the divisions and offices with a range of administrative and logistical support
Total number of administrative/team assistants: 19	
TOTAL: 98	

VIII. Conclusion

35. Given the need for maximizing efficiency at this crucial stage of operationalization of the GCF, it is proposed that the Board approves the updated structure for immediate implementation.

Annex: Draft decision of the Board

The Board having reviewed document GCF/B.11/11 titled “Annual update of structure and staffing of the Secretariat”:

- (a) Takes note of the status of recruitment on the approved positions;
 - (b) Endorses the proposed updated structure of the Secretariat as contained in the Annex 1¹ to this decision; and
 - (c) Authorizes the Executive Director to recruit staff as presented in Annex 2² to this decision.
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¹ This Annex refers to Table 4 in the present document GCF/B.11/11.

² This Annex refers to Table 5 in the present document GCF/B.11/11.